



COUNTY OF WELLINGTON

COMMITTEE REPORT

To: Chair and Members of the Economic Development Committee
From: Ken DeHart, County Treasurer
Date: Tuesday, November 16, 2021
Subject: **Preliminary 2022-2031 Ten-Year Plan: Economic Development**

Background:

This forecast provides a high-level view of major budget issues and planned capital investments and serves as a guide for departments in preparing their detailed current year operating and capital budgets. The preliminary corporate ten-year plan will be considered by the Administration, Finance and Human Resources Committee on November 16, 2021 and the forecast will be updated at the time the budget is approved early in the New Year.

Major Operating Budget Impacts

Staff are in the process of compiling the detailed 2022 operating budgets for each department. Major items expected to be reflected in the 2022 Economic Development Operating Budget include the following:

Smart Cities

The Smart Cities programme is continuing work on projects originally identified when funding was first approved. However, as a result of the COVID-19 pandemic projects have been delayed or modified to fit within the changing global environment. The budget for this programme in 2022 has been modified to take advantage of funds not used in 2021 and the expenditure budget has increased as a result. As these initiatives are fully funded from the grant funding there is no levy impact due to the changes.

Staffing changes include a two-year contract for a Sustainability Programme Assistant position which is to be cost shared with the Climate Change area reporting to Planning. The position will be partially funded from the previously approved grants within Smart Cities. This contract position is intended to ensure the County can get maximum value from the opportunities the Our Food Future partnership is presenting.

Ride Well

The Ride Well programme launched in October of 2019 and was significantly impacted by the COVID-19 pandemic with resident usage well below the original forecast. Recent months have seen the ridership levels increase and the use of the service is continuing to grow. The County received correspondence confirming provincial funding would be extended beyond the original end-date and now is anticipated to end in the first quarter of 2025. Passenger revenue as well as contract costs have been adjusted based on experience to date in 2021 as well as anticipated needs for operating capacity in 2022. These changes result in a 79% reduction to the net cost for Ride Well in 2022 and reduction to tax levy requirements of \$104,000.

Activities proposed throughout the 2022-2031 period

- **Talent Attraction** (\$20,000) – For talent attraction activities related to employer engagement and newcomer immigrant attraction
- Funding for the countywide **Community Improvement Programme** (\$160,000) for local municipalities is maintained throughout the forecast under the transfer payments line
- **Invest Ready – Tax Increment Equivalent Grant (TIEG)**: As part of the Community Improvement Programme, the County began participation in member municipalities' Tax Increment Equivalent Grant Programmes starting in 2019 and will providing additional funds of approximately \$45,000 over the 2022-2023 period as follows: 2022 - \$30,043 and 2023 - \$15,021.
- **Business Retention and Expansion Local Implementation Fund** (\$175,000) – will provide the County's local municipalities the opportunity to access funding for the direct execution of BR+E recommendations for activities that enhance the local economies.
- **Business Support Agency Funding** (\$97,500) – the County funds agencies upon receiving an agreed upon annual review of services and events to support our local economy. Agencies include; the Guelph Wellington Business Enterprise Centre, Innovation Guelph, local Community Futures Development Organizations, LaunchIt Minto and the Western Ontario Warden's Caucus project.

The transfer payments line shows a significant drop in 2022 (\$200,000) as the one-time funding for business recovery due to COVID-19 has been removed, with a corresponding reduction to the transfer from reserves line in the same amount. There is no net budget impact for this change.

Capital

- **SWIFT 2.0 Implementation**: The County continues its commitment of \$4.0 million over five years (starting in 2021) to complete the gigabyte fibre optic broadband buildout, which represents the County's share of SWIFT's latest submission to the province. This is based on Wellington's percentage of underserved roadways in the SWIFT project and is dependent on provincial, federal and WOWC funding commitments. The project will be funded by the General Capital Reserve, which includes transfers of \$400,000 annually from the operating budget.

Recommendation:

That the preliminary 2022-2031 Economic Development capital budget forecast and major operating budget impacts as set out in this report be endorsed and forwarded to the Administration, Finance and Human Resources Committee for inclusion in the County of Wellington's Preliminary Ten-Year Plan.

Respectfully submitted,



Ken DeHart, CPA, CGA
County Treasurer